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Citation for published version:

Hepburn, E 2016, Cohesion Policy and Regional Mobilization. in S Piattoni & L Polverari (eds), *Handbook on Cohesion Policy in the EU*, 13, Edward Elgar.

Link:

[Link to publication record in Edinburgh Research Explorer](#)

Document Version:

Peer reviewed version

Published In:

Handbook on Cohesion Policy in the EU

Publisher Rights Statement:

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EU Cohesion Policy and Regional Mobilization

Eve Hepburn

Introduction

The aim of this chapter is to explore the changing perceptions of EU Cohesion policy by Europe's diverse regions, and the opportunities it has created for subnational engagement. Much has been written about the ways in which the reform of the Structural Funds in the late 1980s brought regions into the ambit of EU decision-making, thereby leading to new forms of 'multi-level governance' (Marks 1992; Hooghe 1995; Jeffery 2000; Marks and Hooghe 2001; Piattoni 2009). However, less attention has been given to how the regions themselves used the opportunities presented by Cohesion policy, and European integration more generally, to meet their own political aims (Lynch 1996; Elias 2009; Hepburn 2010).

The main question this chapter seeks to address is thus: how have sub-state regions mobilized on the issue of EU Cohesion policy? This discussion explores the changing attitudes of regional actors towards European integration over time, and how this has been linked to EU Cohesion policy. It begins by reflecting on the cautious (and at times hostile) approach adopted by sub-state regions towards the European project in the 1970s and early 1980s. It then considers the ways in which the reform of Cohesion policy – also known as the 'regional policy' of the EU – began to be correlated in the minds of regional actors with an institutionally reformed 'Europe of the Regions' during the 1990s. At this point, the economic and political empowerment of the regions – through receipt and implementation of EU regional development funds, as well as access to European decision-making – were seen to go hand-in-hand.

However, two 'critical junctures' altered this path of regional mobilisation on European integration. First, the continuing weakness of regional representation in European institutions disappointed regional actors which had hoped for a stronger voice in Europe. This perceived weakness of regional representation was exemplified through the purely consultative role of the Committee of the Regions (see Chapter 12, this volume) and the strengthening of member-state powers in European treaties to the perceived detriment of the regions. Second, EU enlargement to Central and Eastern Europe (CEE) deprived many regions in the 'West' – where autonomy-seeking regionalist parties were more active – of Cohesion policy funds, thereby reducing some of the economic incentives for regional support for Europe. In response, many regionalist actors adopted more critical stances on Europe as well as more radicalized constitutional aims, leading to several independence referenda.

This chapter therefore charts the ways in which Cohesion policy was intrinsically linked to the 'rise and fall' of a Europe of the Regions (Hepburn, 2008). It explores how the reform of the Structural Funds in 1988 created new economic and political opportunities for regional recognition, and subsequently how these regional opportunities appeared to dwindle away. Finally, the chapter reflects on the current stance of regionalist parties on Europe, which have moved from seeking soft forms of autonomy in a Europe of the Regions to demanding outright independence. Recent plebiscites on independence in Scotland, Catalonia and elsewhere have created a headache for EU actors, in that there is no guidance in the current treaties on how to deal with 'internal' enlargement. This chapter raises the question of whether the EU is

itself partly responsible for the rise of independence referenda, in that there *had* been an opportunity for the EU to accommodate demands for softer forms of regional autonomy in the 1990s, but this opportunity slipped through its fingers.

Early Regional Frustration with Europe

Very few regional political actors have had a consistent line on Europe – either persistently and unconditionally embracing the European project on one hand, or steadfastly rejecting every aspect of Europe on the other. Instead, regionalist actors have tended to alter their positions on Europe over time, and often even in a cyclical manner, in response to developments at the supranational and domestic levels (Hepburn, 2010; Elias, 2009). Taking the introduction of European Parliament elections as our starting point, the first ‘phase’ in regional mobilization on Cohesion policy may be described as the ‘pre-structural fund reform’ period, which lasted from the late 1970s to the late 1980s.

During this first period, regional actors – in particular, parties of all political stripes at the regional level – were largely unconvinced by the evolving European project. Certainly, the introduction of direct European Union Parliament elections required political actors at the regional (and indeed state) level to take European issues more seriously, and to carve out more substantive positions on European policies (Hooghe and Keating, 1994; Ladrech, 2002; Bulmer and Burch, 2000). However, many regional-level parties across Europe – including autonomy-seeking *regionalist* parties – perceived the European Economic Community (EEC) as a distant, elitist and bureaucratic organisation, which was run by states for states alone (Elias, 2009). As there were no direct channels for regions to influence decision-making in Brussels, many regional parties felt peripheralised from the new centres of economic and political power (Hepburn, 2010). In turn, regional governments, parliaments and political parties demanded more influence in Brussels – through direct and indirect (i.e. state delegation) channels (Jeffery, 1997, 2000). This demand for more access to and influence over European decision-making was a common refrain amongst all regional-level parties, regardless of their ideological orientation (see Hepburn, 2010).

However, the regionalist parties on the centre-left had an additional fight to pick with Brussels: they opposed the capitalist underpinnings of economic integration, and the deleterious effects of the single market on poorer regions. This critique was evident, for example, in the party rhetoric of the Scottish National Party (Hepburn, 2006), Plaid Cymru—Party of Wales (Elias, 2008a), the Galician Nationalist Bloc and Andalucian Party in Spain (Elias, 2006; Montabes et al. 2006; Gómez-Reino, Llamazares & Ramiro, 2008), Sardinia Natzione – Sardinia Nation in Italy (Hepburn, 2010), and the Corsican National Liberation Front in France (Hepburn and Elias, 2012). These regionalist parties feared the exacerbation of economic inequalities and their lack of control over economic integration. In particular, there were concerns about how traditional regional economies would be adversely affected by the requirements of the common agricultural policy (CAP) and fisheries policy (CFP) (see Elias, 2009; Hepburn, 2010). To that end, European integration was seen as exacerbating regional economic development problems and isolating regional actors from decision-making.

Structural Fund Reform and the Regions

However, these negative views of Europe changed with the 1988 reform of the EU structural funds, which marked a critical juncture in regional attitudes to Europe. The

period from the late 1980s to the mid-1990s, which can be described as the immediate 'post-structural reform' phase, saw regions embrace new opportunities for engagement in European structures.

As other chapters in this volume have explored in greater depth (such as those of Brunazzo, Leonardi and Begg), the EU has instigated a range of regional policies aimed to rectify spatial inequalities resulting from market integration since the mid-1970s. EU regional policies existed in parallel to state regional development policies, which since 1945 had been implemented on a top-down basis by European states in order to integrate poorer areas into the national economy (Sharpe 1993; Keating, 1996; Bullman 1997). At the EU level, regional problems were first identified following the implementation of the Common Agricultural Policy (CAP), which was seen to benefit some regions and disadvantage others (Hooghe and Keating, 1994). The European Regional Development Fund was established in 1975, entailing the distribution of funds on the basis of member state quotas (see Chapter 1, this volume). However, this policy constituted little more than an inter-state transfer mechanism (Keating 1996), and it was criticized by regional actors for its failure to establish a European-wide distribution of resources, or to create mechanisms to send monies to target regions. As such, regional policy during this period was under-developed, under-funded and almost entirely under the control of member-states.

The 1988 reform of Community regional policy dramatically altered this situation (Moravcsik 1991; Bache and Jones, 2000). Un-coordinated regional development policies were expanded and transformed into a more cohesive regional development programme, primarily in response to the need to cope with increased economic disparities following EEC enlargement to the Mediterranean and Ireland. Regional policy was thus re-formulated and concentrated territorially to improve the competitive potential of less developed regions. Moreover, Cohesion policy was linked to European President Jacques Delors' aim of creating a stronger social dimension to European integration, as a counterbalance to the free-market thrust of the single market. The social rationale behind regional policy was part of the general concept of 'cohesion', which had been introduced into the Single European Act of 1985 (Hooghe and Keating, 1994).

The outcome of the 1988 reforms was to double the amount allocated to structural funds – which pooled together the European Regional Development Fund, the European Social Fund and the European Agricultural and Guidance and Guarantee Fund – making it the second largest item on the EU budget (Hooghe and Keating, 1994). The European Commission also adopted a stronger leadership role in determining priorities and programmes, giving regional policy a stronger pan-European orientation and reducing the control of individual member-states (*ibid*). Furthermore, two important principles became the bedrock of the new policy: (1) *subsidiarity*, whereby decision-making was to be exercised at the lowest possible level (which often meant the *regional* level); and (2) *partnership*, which necessitated the involvement of the EU, state and regional authorities in coordinating policies. The latter principle was especially important as it gave regions direct access to European decision-making, so that regional policy was not just *for* the regions but *by* the regions (Nannetti, 1996). As such, 'the 1988 reforms created a range of openings for regional mobilization. The region was confirmed as the key organizing principle in EU cohesion policy' (Hooghe and Keating, 1994: 376).

Multi-level Governance and Regional Engagement

The inclusion of a regional ‘third’ level of government in EU decision-making (on regional policy) – alongside states and the EU – was seen by many to hasten the development of a system of multi-level governance (MLG). This term was first introduced by Gary Marks (1992) in an analysis of how the reform of the EU structural funds in 1988 had created opportunities for regions to engage in EU policy-making and implementation. Thus the initial treatment of the concept was to explain how regional tiers of government had been *brought into* the ambit of European decision-making through ‘a system of continuous negotiation among nested governments at several territorial tiers’ (Marks 1993: 392). Regional participation in European affairs presented a third level of decision-making – alongside the national and supranational levels – and thus decision-making was diffused across multiple political levels, arenas and contexts (Piattoni, 2009).

Hooghe (1996: 9) argues that regional (or ‘subnational’) interest formation in the EU has been an important indicator of the nature of the Euro-policy. This perception is part of Hooghe’s broader argument that ‘multi-level governance is the only model where regions would be a governmental level of importance next to the national, European and local arenas. This Europe cannot be one of the national states, nor of the regions, but only a *Europe with the Regions*’. Although it is debatable whether the structural funds have truly empowered the regions, EU reform of regional policy was seen to encourage the articulation of ‘political demands in regional terms and provided objects for political mobilisation’ (Hooghe and Keating 1994: 370).

From the 1980s onwards, there was a proliferation of regional European-wide organisations including pro-regional lobbies, inter-regional associations, and cross-border associations (Keating, 1998). EU regional intervention was seen to result in a surge of ‘bottom up’ regional mobilisation, whereby regions were pressing for a greater role in state and European policy-making (Weyand 1997). There were a number of ways in which regions sought access to EU decision-making bodies. The creation of the Committee of the Regions (CoR) in 1994 by the Maastricht Treaty provided a political arena for voicing regional demands. The CoR, which remains largely a consultative body, nevertheless created the first formal recognition of regional governments in the EU (Jeffery, 1997). In addition, over 225 regional information offices have been established in Brussels since 1985, in order to lobby European institutions, monitor EC regulations and support regional proposals in European political processes (Tatham and Thau, 2013). Finally, the Maastricht Treaty (1992) granted regional governments the constitutional ability to represent member-state interests within the EU Council of Ministers. Thus, scholars have argued that regionalisation was a direct outcome of Europeanization (Sturm and Dieringer 2005).

However, Hooghe (1996) also found that regions – understood specifically as – regional executives – did not have uniform opportunities or capacities to access European decision-making. Instead, some regions have been able to mobilize their demands in Europe more effectively than others. In particular, the larger, wealthier regions with significant legislative powers have been more successful in influencing EU policy than smaller, poorer administrative regions (Hooghe, 1996). Hooghe and Keating posited that regionalist mobilization has been weakest in Objective 1 regions, especially on the periphery and in southern Europe. This is due to a number of factors, including their weaker ‘economic importance, their political skills, their administrative infrastructure and their ability to mobilize civil society behind the efforts of regional governments’ (Hooghe and Keating, 1994: 375).

In addition, some research has found that regions that have greater control over regional policy are able to access European decision-making channels more

effectively than those with limited control in a centralised ‘gatekeeper’ state (Bache and Jones, 2000). To illustrate, scholarship has found that the Scottish Executive/Government – which has enjoyed exclusive competence for regional policy – has been able to forge a much stronger relationship with the European Commission than the Spanish regions, where the central-state has monopolized this relationship (Bache and Jones, 2000; MacPhail, 2008). Finally, the ability to represent member states in the Council is restricted to a small handful of regions in Belgium, Austria and Germany (all federal states), and is certainly not a uniform right (Skoutaris, 2013).

However, this discussion is not only interested in the activities of regional executives, which has been the focus of much of the literature on ‘regions in Europe’ like that described above, but also the attitudes of regionalist actors – that is, parties with specific demands for enhanced autonomy – towards the European project. Jeffery (2000: 8) argues that sub-national authorities (SNAs) ‘are typically portrayed [in MLG] as essentially inconsequential and passive players until either an incidental by-product of central state-EU interplay provides an opportunity for mobilization, or a central government decision is taken which passes decision-making powers down to SNAs’. In other words, in the author’s view, MLG casts regions as inert objects of decision-making, folded into institutional structures, which are unable to change their position in the hierarchical structure. There is no account of how regions themselves seek to change the dynamics that facilitate European policy and structural change. To fill this gap, this discussion follows in the footsteps of Keating et al (2003) and Bukowski et al (2003) by considering how regional political parties (in both government and opposition at the regional level) have mobilised on European issues, and linked the reform of structural funds and the new opportunity structures to access EU decision-making with a ‘Europe of the Regions’.

Europe of the Regions

While academics – and the European Commission itself – began to talk about multi-level governance processes, regional political parties began to evoke the imagery of a ‘Europe of the Regions’ as an aspiration to meet their specific demands for self-determination. Europe appeared to hold the possibility of new forms of autonomy in an age of interdependence, as well as promises of material resources. In this sense, EU regional policy – and the institutional opportunities for engagement that it presented – was a significant element in the glue that adhered regional-level parties to the European project in the late 1980s.

In a special issue of *Regional & Federal Studies* (2008) entitled ‘Whatever happened to a Europe of the Regions?’ scholars demonstrated how sub-state regionalist parties became the most ‘vociferous advocates’ of a Europe of the Regions in the 1980s and early 1990s (Elias, 2008b). Individual regionalist parties had very different motivations for supporting a Europe of the Regions, which included functional goals (access to European structural funding and other resources), constitutional goals (being linked to federalism, devolution and independence), and discursive goals (such as being perceived as legitimate pro-European actors) (Hepburn 2010). However, on a general level, regionalist parties viewed changes at the European level – such as the reform of the structural funds and the creation of a Committee of the Regions – as positive. As Elias argues, such developments were ‘hailed by these actors as evidence that a very different kind of European polity was being built, one which would see Europe’s small nations and regions assume a central role in the process of governing Europe’ (Elias, 2008b; see also Keating 2001, Jolly 2007).

More specifically, EU Cohesion policy was of value to regionalist parties for both symbolic and functional purposes. On a functional level, a primary goal of regionalist parties is the economic empowerment of the region (Hepburn, 2009). The European Commission's offer of greater economic assistance was lauded by regional actors. This was especially true in poorer regions whereby, for example, regionalist parties in Sardinia (Italy), Wales (UK) and Andalusia (Spain) perceived EU Cohesion policy as a solution to problems of economic underdevelopment and infrastructural weakness. The reform of the structural funds in 1988 qualified Sardinia for 'Objective 1' status, making it a main priority of EU Cohesion policy as it had a GDP of less than 75% of the European average. Sardinian political parties were enthused with the injection of new funds, though in some ways the funds replaced the island's economic dependency on the Italian state with a new dependency on Europe (Hepburn, 2009). Similarly, Andalusia was classified as Objective 1 after the structural funds reform, becoming the top Spanish region in receipt of EU funding. The Andalucian Socialist Party, which believed that Andalusia had been economically discriminated against by the Spanish state, began to view EU Cohesion policy as a valuable source of funds (Montero, 2001). In Wales, Plaid Cymru viewed the reform of the structural funds as a positive development in the EU's recognition of the economic needs of the poorest regions in Europe, and lauded the significant amount of funds to be invested in the country's rural and deprived urban areas (Elias, 2009: 64). These cases appear to confirm the argument put forward by Hooghe and Keating (1994) that 'EU cohesion policy has become the niche for the demands of weaker and poorer regions'. Though at the same time, regionalist parties in wealthier regions – including Catalonia, the Basque Country and Scotland – were also strongly positive about the receipt of EU structural funds (Bache and Jones 2000; Hepburn, 2006, 2010).

Clearly, then, Cohesion policy offered material gains to regions, but it also had an important symbolic dimension. Regional parties and executives adopted a variety of demands for autonomy in Europe that amounted to something less than sovereign-state independence (Keating 1996; Elias, 2009; Hepburn 2010). These demands were brought under the umbrella term 'Europe of the Regions', which had both policy and constitutional implications. On one hand, it signified the possibility of realizing policy demands, such as economic resources, regional representation and increased control over regional competences. On the other, it became the constitutional *leitmotif* of regional parties, symbolising widespread frustration with the predominantly intergovernmental workings of the EU which failed to recognize the rights and identities of regions and stateless nations (Hepburn, 2010).

To return to some of our cases, in Scotland the EU became attractive to parties seeking constitutional reform, and in particular, the imagery of a 'Europe of the Regions' was linked to the creation of a Scottish Parliament. The SNP also looked more favourably at the security and trading opportunities that Europe afforded, adopting a policy of independence in Europe in 1988 (though it also briefly toyed with the idea of a regionalized Europe in 1994) (see Hepburn, 2006, 2009). In Wales, Plaid Cymru became a strong advocate of a Europe of the Regions as it offered 'a feasible way forward for a small nation seeking to free itself from the centre-periphery conflict with the British state, but without having to become a fully independent sovereign state' (Elias, 2009: 57). Elsewhere, in Sardinia, Catalonia, the Basque Country, Veneto, Galicia, Andalusia, Bavaria and Brittany, regionalist parties of all political stripes began supporting the goal of self-determination in a Europe of the Regions or Peoples (Jolly, 2007; Elias, 2009; Hepburn, 2010). But it wasn't only regionalist parties that began to link regional autonomy with Europe – regional

branches of Christian Democratic and centre-left parties across Europe also became firm advocates of a Europe of the Regions (Hepburn, 2009, 2010).

The 1988 reform of the structural funds was therefore strongly linked with the possibilities for regional engagement in Europe, encapsulated in the imagery of a Europe of the Regions. This 'phase' in regional mobilisation in Europe lasted from 1988 until 1994, the latter date marking the creation of the Committee of the Regions. Regionalist actors saw Brussels as a new centre of resources to access, and an arena for advancing their constitutional demands and policy interests. In particular, autonomy in Europe seemed to offer a third way between independence and state-centralism. I have argued elsewhere that the imagery of a 'Europe of the Regions', which was flexible enough to mean different things to different regional actors, led to a convergence of regionalist demands in Europe (Hepburn, 2008, 2010). However, this convergence was ultimately unsustainable.

The Convention, Enlargement and Regions 'Left Behind'

While reformed Cohesion policy and possibilities for regional engagement in Europe encouraged regionalist actors to become Euro-enthusiasts in the early 1990s, from the late 1990s onwards certain events and processes began to shatter this optimism. These EU-level developments included: (1) the limitation of opportunities for regional engagement in Europe; and (2) European enlargement, which corresponded with a decline in Cohesion policy funds and political representation for regions in western Europe. Regionalist frustration with the Committee of the Regions (CoR) was probably the first indicator that a Europe of the Regions was unlikely to become a reality. The CoR was intended to give sub-state actors a formal role in European decision-making processes (Van der Knapp, 1994). However, it had significant limitations. Firstly, the CoR was an advisory body with little control over policy; this made the CoR a largely symbolic institution with highly truncated reach and influence (Christiansen, 1996; Loughlin, 1996). Secondly, because the membership of the CoR was so diverse – including both heavyweight legislative regions and tiny administrative regions with few powers – this led to internal tensions and divisions, which served to fracture the body (Jeffery 2000; McCarthy, 1997). Finally, the CoR suffered from 'functional overreach', that is, having to give too many opinions on too many issues, without any real influence over EU policy (Christiansen, 1996; Loughlin, 1996). As a result of these weaknesses, the CoR faced a 'downward spiral of progressive obscurity and the frustration of its members' aspirations' (Christiansen 1996).

Another disappointment to regional political actors was their failure to obtain guarantees for regional recognition in the Convention on Europe, which formed the basis of the draft European constitution (see Elias 2009; Hepburn, 2010). Regionalist parties – such as the Scottish National Party, Plaid Cymru, Convergencia i Unio, the Galician National Bloc, the Basque Nationalist Party and the Bavarian CSU – criticised the draft European constitution for failing to recognise the multinational character of member states, or granting regions more rights in European decision-making. Instead, the inter-governmental nature of the European project was seen to be reinforced. Moreover, the principle of subsidiarity – which was key to the 1988 structural reforms in promising a redistribution of policy competences across different territorial levels – was seen as an empty shell (Elias, 2006). As a result, some regionalist parties – such as the SNP – threatened to oppose the constitution (Hepburn, 2010). In any case, the failure of the constitution appeared to signal the end of the need to discuss any deepening or reform of European political integration.

Thirdly, regionalist parties became increasingly concerned that European integration was disempowering them. This was most evident in Bavaria, where the CSU sought to put a halt to the transfer of more and more Länder competences to the European level (Jeffery, 1997). Indeed, in Bavaria the idea of a 'Europe of the Regions' was linked by the CSU to concerns about protecting the interests of the German Länder (Hepburn 2008, 2010). The CSU proposed that European integration must go hand-in-hand with the protection of regional rights (Bauer 2006). But when these rights failed to materialise, the CSU tried a different tack, by reforming the German federal state to limit the effects of unwanted EU directives on regional competences, or as Jeffery (2004) argues, to strengthen the 'hard shell' of the state to protect the regions.

Together these three issues – CoR weakness, lack of regional recognition in the Treaties, and perceived threats to regional competences – sounded the death knell of a 'Europe of the Regions'. But regionalist actors were not just concerned about the lack of political rights and representation. They were also anxious about the reduction in material benefits to regions. In 2004, during the same year that the draft European Constitution had spelled out the dominance of states (and the correlative continuing weakness of regions) in the European project, enlargement to Central and Eastern Europe brought ten new member-states into the embrace of the European project.

At first, many regionalist parties were enthusiastic about welcoming new countries from CEE into the European club. Parties such as the SNP and Plaid Cymru, welcomed, in particular, the inclusion of small states – such as Malta, Cyprus, Estonia and Latvia (all with less than 1.5m inhabitants) – which undermined the arguments of anti-regionalist critics that places like Scotland or Catalonia were 'too small' to join the European club. Furthermore, regionalist parties also welcomed the increased ethnic and linguistic diversity that eastern enlargement would bring, which – it was hoped – would strengthen the legal and political case to recognize such diversity everywhere, including amongst the regions themselves (Elias, 2009). Finally, the political grouping representing regionalist parties in the European Parliament, the European Free Alliance (EFA), saw enlargement as an opportunity to increase its membership amongst eastern parties and thus increase the weight of regionalist demands in the European Parliament (Lynch and de Winter, 2008).

However, as eastern enlargement became a reality, regionalist parties in the west became aware of new challenges that this entailed. First, enlargement resulted in a reduction of MEPs in the 'old' member-states to accommodate new MEPs from CEE. This meant that many regions where regionalist parties were highly active – such as Wales, Scotland, Catalonia, Flanders – lost elected representatives and political clout in the European Parliament. Second, there was a slow realisation that even though enlargement had brought several new member-states into the EU, 'there was little prospect of a similar status being extended to other small nations already in the EU as part of larger Member States' (Elias, 2008). The fact that there were several small independent countries – smaller than Bavaria, Scotland or Catalonia, but with more European representatives – underlined the inequality of territorial representation in Europe. Third, the European Free Alliance (EFA) extension into CEE had been problematic, due to the lack of strong regionalist parties there (Lynch and de Winter, 2008). Instead, most of the new MEPs from CEE joined the 'traditional' class-based Europarties.

The final problem with eastern enlargement for (western) regionalist actors brings us back to the issue of EU Cohesion policy. With the addition of ten new member-states, which generally had less developed economies than the 'old'

members, the EU average GDP fell. This had implications for the eligibility rules for Objective 1 status in the structural funds. Under the 75% rule for eligibility, several designated regions in the 'old' member states dropped out, as the average fell with the inclusion of lower-income countries. This meant that poor regions – such as Sardinia, Andalusia and Wales – were tipped over the 75% threshold and denied Objective 1 status, despite their own GDP not having risen in real terms. These regions received transitional, 'phasing out' support during the 2007–13 period (Begg, 1998, 2008).

As many of the regions (where regionalist parties were active – such as Scotland, Wales, Andalusia, Sardinia) lost their eligibility for priority EU Cohesion policy funding, this had two effects. Firstly, the withdrawal of European funds removed an important 'carrot' with which regionalist parties were trying to 'sell' the European project to their members and supporters. As we saw earlier, the economic benefits offered to regions by structural funds had been an important element in the conversion of regionalist actors to Europe in the 1990s. When funds were reduced, regionalist parties had less reason to see the direct benefits of European integration.

Secondly, regionalist parties had accepted some of the negative effects of the common agricultural and fisheries policies because they were being compensated through the structural funds. When the structural funds were removed, regionalist party criticisms of these other policy areas became more pronounced. For instance, the SNP's opposition to the European fisheries policy became more strident, Plaid Cymru and the Partito Sardo d'Azione (Psd'Az) criticised the common agricultural policy for undermining their farming methods and dairy quotas, and the Bavarian CSU criticized EU competition policy for undermining its ability to support traditional sectors in its economy (see Elias, 2009; Hepburn, 2010). So although few regionalist parties in western Europe directly criticized the phasing out of structural funds in order to address inequalities in CEE, there was a subtle shift in regionalist party discourse that downplayed the benefits of Cohesion policy and increased their criticism of other common policies that were viewed as detrimental to their economies (for an excellent quantitative analysis correlating regionalist parties' declining support for European integration with declining levels of structural funds, see Chapter 12 in this volume).

Independence Demands and European Responses

As a result of the apparent 'closing' of opportunities for regions to act in Europe, lack of regional recognition in European treaties, threats to regional competences and declining levels of funds and representation (for Western regions), most regionalist parties abandoned their dreams of a Europe of the Regions. It was clear to many that the supranational project remained very much a Europe of the States.

In addition, regionalist parties began to change their discourse on European integration. A new Eurocritical, or indeed even Eurosceptical, strain seeped into the discourse of many regionalist parties, which became critical of certain aspects of European integration – including the lack of democratic accountability and the detrimental effects of certain common policies (Hepburn, 2008, 2010; Elias, 2009). Furthermore, many regionalist parties changed their constitutional goals (ibid). In particular, for many regionalist parties that felt 'left behind' in the onward march of European integration, they changed their aims to seek full member status.

In the period 2008-14, regionalist parties in several EU countries submitted bills to regional executives to hold referenda on breaking up the state so that the region could finally take its place at the 'top table' of the EU Council of Ministers.

To take a few examples, the Basque Nationalist Party (PNV) – a previous Europe of the Regions advocate – put forward a bill to hold an independence referendum in 2008. Although this was passed by the Basque regional assembly, the bill was struck down by Madrid as unconstitutional (Humblebaek, 2015). In 2012, the Psd'Az in Sardinia – also a previous Europe of the Regions enthusiast – failed by one vote to pass an independence referendum bill in the Sardinian regional assembly, but with a pledge to repeat the motion again (Hepburn, 2015). In March 2014, a number of Veneto regionalist actors formed the umbrella group 'Plebiscito 2013' to organize an unofficial referendum on independence, with a majority of participants voting to leave Italy (Cento Bull, 2014). Although the results and turnout were strongly questioned by media and political commentators, the Liga Veneta-run regional assembly – in response to the referendum – passed a bill to hold a formal referendum on independence in June 2014, though at the time of writing no date has yet been set for this (Hepburn, 2015).

In September 2014, the SNP organized a referendum on independence in Scotland, in which it lost by a margin of 10 points (55% against, 45% in favour). The SNP has since drastically increased its electoral support in Scotland and has pledged to hold another referendum on independence if it obtains the democratic mandate to do so (Hepburn and Rosie, 2015). Finally, a number of Catalan nationalist parties including the CiU – which had also been a previously strong advocate of a Europe of the Regions – organized a non-binding vote on independence in November 2014. The Catalan authorities had previously planned to hold an official referendum on Catalan's future, but this was suspended by the Spanish Constitutional Court for being illegal. The unofficial poll was a success for Catalan regionalists: 80% of those who participated (about 2 million people) voted in favour of independence with a turnout of 37% (Smith, 2014; Lineira & Cetra, 2015).

These independence referenda have created a number of problems for the European Commission. Although the EU's official position was 'neutral', in the sense that it did not want to intervene in the affairs of its member states, if these referenda are successful they will have major implications for the European project. In particular, the EU will have to develop a position on 'internal' enlargement, if the citizens of regions wish to gain sovereign-state status.

Conclusion

This chapter has explored how EU Cohesion policy, which was a vital component in the conversion of regionalist actors to the European project, also became associated with the downfall of a Europe of the Regions. Certainly, the opportunities that the reform of the structural funds created for regional engagement in EU decision-making were unprecedented: for the first time, regions were recognized as *actors* and not merely *objects* in the governance of Europe. However, a number of factors undermined regionalist aspirations. The weakness of the Committee of the Regions, the failure to extend the role of the regions in the draft Constitution and subsequent Treaties, the threat that European integration was seen to pose to regional competences, and the decreasing levels of regional funding and political representation to (western) regions after CEE enlargement, together signalled to regionalist actors that a Europe of the Regions had been merely a pipedream.

Regional actors reacted to these developments in two ways. First, many regions strengthened their criticisms of certain EU policies, such as the common agricultural and fisheries policies, as well as the lack of democratic accountability in EU structures. Second, a number of regionalist parties began to radicalize their

demands, moving away from seeking soft forms of autonomy in an interdependent 'Europe of the Regions', towards supporting outright secession. This resulted in new requests for the EU to intervene in guaranteeing the transition of regions towards independence. However, even here, the EU has been a cause of frustration and disappointment to regionalist actors. In its attempt to remain neutral and stay out of the internal affairs of its member-states, the EU has failed to make any efforts to adjudicate claims for the internal enlargement of the EU.

The ironic aspect to the EU's discomfort over the new wave of regional mobilisation on independence is that *it* may be partly to 'blame'. In the 1990s, there was a possibility of accommodating demands for self-determination in a Europe of the Regions, whereby substate regions could sit alongside the states in the governance of Europe. This goal won the support of regionalist parties in Catalonia, the Basque Country, Veneto, Sardinia, South Tyrol and elsewhere. However, when these hopes were dashed with the state-reifying bias of subsequent Treaties, regionalist actors in all of these territories radicalized their demands in favour of independence in a Europe of the States. As the possibilities of regional engagement in Europe continue to dwindle away, independence now seems to be the only way to have real influence over the EU decision-making process. Indeed, in the case of Scotland, if the UK Government's proposed referendum on leaving the EU wins support, the Scottish Government has indicated that it will hold a second referendum on independence so it can actually re-join the EU. However, if the European Commission and Council continue to ignore such demands, and regional populations do vote for independence without the support of European institutions, the result could rock the foundations – and legitimacy – of the supranational project.

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